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**FOR ₹2,630 CRORE**

# Tokio Marine raises stake in IFFCO-Tokio JV to 49%

The deal would result in IFFCO's stake falling from 72.64% to 51%

**EXPRESS NEWS SERVICE**  
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JAPANESE INSURANCE major Tokio Marine Holdings has raised its stake in IFFCO Tokio General Insurance Company Ltd, India's third largest non-life insurer after ICICI Lombard and Bajaj Alliance, from 26 per cent to 49 per cent.

The Tokyo-based firm will pay Indian Farmers Fertiliser Cooperative (IFFCO) Rs 2,380.40 crore and Indian Potash Ltd (IPL) Rs 149.60 crore to acquire 21.64 per cent and 1.36 per cent of their respective shares in the insurance joint venture that earned a profit after tax of Rs 420

## IFFCO TOKIO SET UP IN 2000

■ IFFCO Tokio was set up as a JV in 2000, after the Indian government opened up the insurance business to private players.

■ In 2015, the current NDA government allowed

foreign investors to acquire up to 49 per cent stake in Indian insurance companies, as against the previous cap of 26 per cent.

■ IFFCO Tokio's total paid-up capital is Rs 560 crore

crore on a gross premium income of Rs 5,635 crore during the fiscal ended March 31, 2017.

The deal would result in IFFCO's stake falling from 72.64 per cent to 51 per cent and its associate company IPL's from 1.36 per cent to nil. IFFCO Tokio has a

total paid-up capital of Rs 560 crore (equity plus premium) comprising 26.93 crore shares. IFFCO and IPL have transferred 6.19 crore shares out of these to Tokio Marine at a price of Rs 408.43 per share for a total consideration of Rs 2,530 crore.

IFFCO Tokio was set up as a JV in 2000, after the Indian government opened up the insurance business to private players. In 2015, the current NDA government allowed foreign investors to acquire up to 49 per cent stake in Indian insurance companies, as against the previous cap of 26 per cent.

"This was a good opportunity to unlock the value of our investment in IFFCO Tokio by selling a part of the shares held by us. We can use the proceeds from this to re-invest in our core fertiliser and agriculture-related business," US Awasthi, managing director of Iffco, India's largest fertiliser concern, told presspersons here on Friday.